



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## REVIEWS.

*American Tariff Controversies in the Nineteenth Century.* By EDWARD STANWOOD. Boston and New York, Houghton, Mifflin and Company, 1903. — Two vols., 410, 417 pp.

Mr. Stanwood's title does not accurately describe his book. He gives a history not so much of tariff controversies as of tariff legislation. In his introductory chapter, he tells the reader not to expect critical analysis of the writings of Carey, List, D. A. Wells, or Horace Greeley; and this we can readily dispense with. But there is also little attempt to follow the broad fluctuations in the state of public opinion on the controversy. We have, indeed, a great many pages giving abstracts of various speeches and documents. Hamilton's Report is summarised through twenty pages; the important parts of Walker's Report of 1846 are reprinted in full; and there are lengthy abstracts of the speeches of Clay, Webster and others on the tariff bills of 1820 and 1824. It is significant that the documents and debates of the period since the Civil War receive practically no attention from Mr. Stanwood. The reason may be that the vast bulk of the matter which is printed in the Congressional *Globe* and *Record* defied analysis or selection; but it may be suspected that our author concluded, as do most readers of the tariff speeches of later days, that these are chiefly buncombe for distribution among constituents, not expressions of any real conviction or matured opinion. Even for the earlier period there is little, beyond such summaries as have just been mentioned, on the shifts in the general debate on the tariff question. There is a long chapter on the constitutional question, in which Mr. Stanwood finds it not difficult to prove that Congress has the power to levy duties that protect. But in the main the volumes are confined to the legislative history of tariff bills and acts: to the votes and manœuvres in Congress, the connection with the general political situation, the intrigues and combinations that affected the various measures, and the parts played by the presidents, secretaries, chairmen of committees and other political leaders in shaping and enacting them.

This, his main task, Mr. Stanwood has done excellently. The narrative is full, accurate and fair-minded. Mr. Stanwood is a convinced protectionist, and from the outset frankly states his opinions. But this does not prevent him from pointing out with equal frankness how often the tariff question has been dealt with as part of the game of poli-

tics. The legislative history, not only of such tariffs as those of 1842 and 1846, but of the most recent acts — those of 1890, 1894, 1897 — is told in a manner to demonstrate how far removed we have been from any well-weighed or judicial course of procedure. The narrative of the three last-named acts is perhaps the best and most candid part of the book. The earlier tariff acts, especially those before 1860, have received their share of attention in the general histories; but on the McKinley act of 1890, the Wilson act of 1894, and the Dingley act of 1897, Mr. Stanwood had a free field, and his analysis of their curious congressional history is a contribution of real value. As regards the tariff legislation of the Civil War, he frankly explains that

whoever could devise or discover a new object of taxation, or who was courageous enough to advocate an increase of duty on any article already taxed, was regarded as a public benefactor, and the suggestion was adopted forthwith. As for the manufacturers, they had only to declare what rate of duty they deemed essential, and that rate was accorded to them.

The course of legislation in the period after the war is rightly described as "haphazard action, with no consistent plan," missing the opportunity to establish "a broad, comprehensive, far-seeing policy." It is to Mr. Stanwood's credit also that he speaks well of Democratic leaders, such as Mr. Cleveland and the late Mr. Wilson, whose principles he deems unsound. Mr. Cleveland receives deserved praise for his "splendid courage" in bringing the tariff issue to the fore in his message of 1887; and Mr. Wilson is described with no less generous recognition.

Mr. Stanwood, having given so much space to the history of legislation, has left himself very little for the discussion of the economic consequences of legislation. Indeed, his labor evidently has been put chiefly on the debates in Congress, and the materials closely connected with these. The economic history of the country, and that of the particular industries most affected by the tariff, receive scant attention. Clearly these are subjects much more important than legislative and political detail for reaching an opinion on the merits of the controversy; but they call for the examination of a huge mass of scattered and mostly unsatisfactory material. If we are ever to know all that can be known and is worth knowing on the economic effects of protection, there must be a great deal of preliminary monographic work. Mr. Stanwood's book adds nothing to our knowledge here, and indeed, hardly affects to do so. There are indeed some passages on the effect of this and that tariff act; and the tone of these passages is in general

reasonable and fair-minded. Thus Mr. Stanwood remarks, when beginning his discussion of the period since 1890, that "the importance of the tariff was grossly exaggerated by the disputants on both sides;" and, later, that "the act of 1897 did not make prosperity possible nor did it create prosperity" — a simple statement of obvious truth, but one which in these days it is refreshing to hear from a staunch protectionist. Mr. Stanwood adds that "undoubtedly it [the Dingley tariff act] added largely to the benefits the country would have enjoyed had the act of 1894 been undisturbed." But here the word "undoubtedly" only means that Mr. Stanwood has an *a priori* conviction that the beneficial effects must have ensued; whereas the free trader is no less convinced on his own general principles that harmful effects must have ensued; and neither, in the opinion of the present reviewer, can possibly prove his conclusion by evidence for the particular case.

Like most writers on the question, Mr. Stanwood is disposed to believe that a connection can be shown between tariff legislation and the periodic alternations of prosperity and depression; especially when a period of prosperity follows the kind of legislation he approves. He ascribes credit to the Dingley act for the revival of industry after 1897, though in the moderate terms just noted. So the prosperity of the period after 1828, though "not caused solely by the tariff," is held forth as a vindication of the wisdom of the high duties then enacted. For the act of 1842 much more is said. It was the *vera causa* of the good times that followed: "no other cause is assignable as having produced that effect." Of course this calls for some consideration of the contrary experience after 1846, when the lower tariff act was also followed by a period of prosperity. Here, however, Mr. Stanwood finds that other causes were at work, and attributes much effect to the Californian gold supplies. *Post hoc, propter hoc* is an extremely treacherous mode of reasoning in all economic discussion; and certainly its use is fallacious in ascribing bad and good times to low and high tariffs. The causes of these oscillations are deep-seated in the complex mechanism of modern industry. Some particular event, such as a tariff act, or a silver act, or (to cite a very modern instance) legal proceedings against a railroad combination, may give things a start up grade or down, and this is forthwith regarded by many people as the cause of prosperity or depression; though no cool-headed observer can help seeing that the effect was due mainly to the underlying industrial conditions. So far as protection and free trade are concerned, such discussion misses the point of the whole controversy. The real question at issue is one of production. Which mode of directing a country's

industry brings the largest measure of what Professor Marshall happily calls the national dividend? The regular flow of that dividend and, in some degree probably, its abundance are affected by the oscillations of trade. But the commanding factor in the long run is the effective organization and direction of the productive apparatus. Whether restraints on importation make that apparatus more effective or less is a question we can answer chiefly, if not solely, by general reasoning as to the working of the institution of private property and the effects of the geographical division of labor.

But all such discussion lies outside the scope of Mr. Stanwood's book, and what he says incidentally on the strictly economic problem is interesting chiefly as showing the point of view of an intelligent and fair-minded protectionist. One may differ with him on these matters, and yet be grateful for his narrative of the tortuous history of tariff legislation.

F. W. TAUSSIG.

HARVARD UNIVERSITY.

*The Truth about the Trusts.* By JOHN MOODY. New York, The Moody Publishing Company, 1904. — xxxii, 514 pp.

Mr. Moody believes thoroughly in the trust. It is, he says, "the natural outcome or evolution of societary conditions and ethical standards which are recognized and established among men to-day as being necessary elements in the development of civilization" (p. 494). Though the form of expression is vague we readily recognize in this sentence the familiar claim of the trust apologist: that given the existing social and industrial conditions, the progress of consolidation is inevitable. Mr. Moody's originality appears in the grounds he advances for regarding the trust as a beneficent institution. He casts aside the stock argument that the consolidation of industry results in higher wages and lower prices. He scorns the idea that the trust is not a monopoly. No brilliant career is open to the trust which has to rely upon mere competitive efficiency. Monopoly alone can explain the trust movement; the achievement of monopoly alone justifies it. But it is a huge mistake to regard monopoly as reprehensible — a mistake due wholly to the mischievous activity of the demagogue and the socialist. Monopoly is in reality "a social product which exists with the consent of society, and men in business take advantage of it where found, just as they take advantage of any other factor for achieving their end" (p. xvi). Men desire monopoly just as they desire lands or factories